PPC Budgeting 101: How Much Should a Small Business Spend on Google Ads?

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PPC Budgeting 101

How Much Should a Small Business Spend on Google Ads?

- Google Ads can generate high-intent traffic and leads.
- The right budget depends on **industry, CPC, location, competition, and business goals**.
- For most small businesses in India, a practical starting range is **₹15,000–₹50,000/month**.
- The goal isn't to spend more—it’s to **spend strategically and measure ROI**.

How Much Should You

BUSINESS TYPE	SUGGESTED MONTHLY BUDGET	TYPICAL CPC
Local Business / Services	₹5,000–₹15,000	₹5–₹50
B2B / Professional Services	₹20,000–₹50,000	₹30–₹150
E-commerce	₹15,000–₹50,000	₹15–₹40
Competitive B2B / SaaS / Finance	₹50,000–₹1,50,000+	₹100–₹600+

What Determines Your PPC Budget?

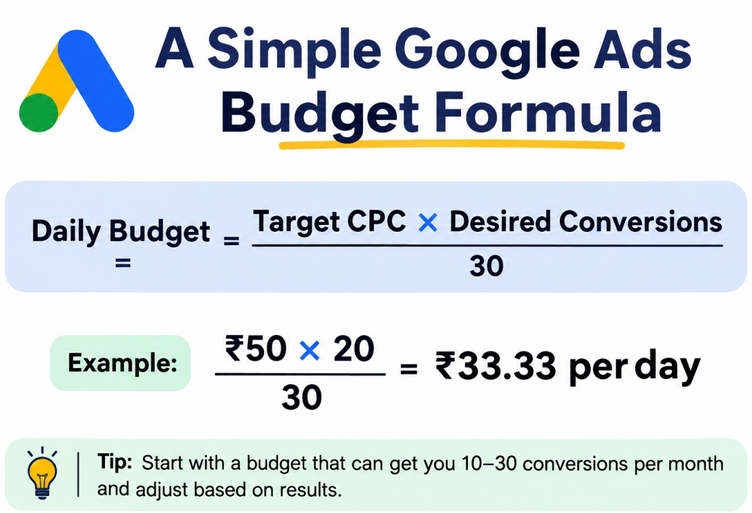
1. Industry & Keyword Competition
Higher competition generally means higher CPC.
2. Business Goals
Your budget should match your target number of leads or sales.
3. Location & Market Size
Local targeting can reduce competition and make your budget go further.
4. Quality Score
Relevant keywords, ads, and landing pages can help reduce CPC.
Remember: There is no one-size-fits-all Google Ads budget.

A Simple Google Ads Budget Formula

Lead Goal → Clicks → Budget

Formula:
Required Clicks = Lead Goal ÷ Conver
Monthly Budget = Required Clicks × A

Example:
- Target: **20 leads/month**
- Conversion Rate: **5%**
- Required Clicks: **400**
- Average CPC: **₹40**
- Estimated Budget: **₹16,000/month**


A Simple Google Ads Budget Formula
Daily Budget = Target CPC × Desired Conversions / 30
Example: ₹50 × 20 / 30 = ₹33.33 per day
Tip: Start with a budget that can get you 10–30 conversions per month and adjust based on results.

This approach helps businesses build their PPC budget based on **actual goals and expected performance**, rather than guessing.

How to Get Better ROI from Your PPC Budget

✅ Start with specific, high-intent keywords

✅ Use negative keywords to prevent wasted clicks

✅ Focus on conversions, not just traffic

✅ Track calls, forms, purchases, and other conversions

✅ Use a fast, dedicated landing page

✅ Test different ad variations

✅ Increase spending only on profitable campaigns

Thank You

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